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The European Union, South-Eastern Europe and the Europeanization of Croatia

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Summary

In this paper the author argues that the Europeanization and transition of post-communist countries are one and the same process. In his opinion the transition is essentially – Europeanization. In South-Eastern Europe this causes a political shift from the nationalist forces to the pro-European forces. The collapse of former Yugoslavia caused a slowdown of Europeanization; however, if the newly formed nation-states want to prosper and if the European Union wants security and stability on the continent, the process of Europeanization has to be successfully completed.

Key words: transition, Europeanization, South-Eastern Europe, former Yugoslavia, Croatia

In all post-communist countries, the political and economic transitions and the acceptance of the rules and conditions pertaining to their accession to the EU have virtually been substantially overlapping processes. The Europeanization and transition have been essentially one and the same process – the former, with its requirements, has significantly helped and facilitated the latter. It has all boiled down to the adoption of EU requirements and regulations. Technically, this has implied downloading the relevant laws, policies and practices with very limited possibilities for reserving opt-outs corresponding to the special interests of new member states (Bulmer and Lequesne, 2005: 259-262).

In the countries that have emerged from the former Yugoslavia, because of their war legacy and implications of the disintegration of the multinational federation, the European Union itself has imposed a third set of requirements: political stabilisation. For the Western Balkans, the EU has devised a new type of accession

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treaty: Stabilisation and Association Agreements (SAAs), which stipulate only the possibility of acquiring the status of a full EU member.¹ This new type of agreement has introduced for the region a policy of conditionality for the admission to the EU. These conditions have often been general and unspecified – they have been interpreted by the EU. They have proven to be moving targets. One difficulty also lies in the fact that, over time, the EU has added new policy areas: home affairs, justice, the Schengen area, a common foreign and security policy, and a common currency (cf. Grabbe, 2003: 254-256). Another change is related to the fact that new potential members can no longer have opt-outs from a part of the regulation in the field of monetary union, the Schengen area, security and defence policy – the possibility previously used by old members such as Britain, Ireland and Denmark (*ibid.*: 257).

For the new members, the EU has specified the most important set that has defined the policy of conditionality. It comprises primarily the so-called Copenhagen criteria of 1993, which include: stability of institutions guaranteeing democracy, rule of law, human rights protection, protection of minorities, a functioning and, within the EU, competitive market economy. The 1995 Madrid criteria added new requirements for those aspiring to EU membership. They required that future member countries provide for the administrative and legal capacity for the implementation of, and respect for, EU regulations – the *acquis communautaire*. The requirements are, of course, reasonable, but they still leave open the problem of the obligation of adjustment being imposed on economically underdeveloped countries burdened with a multitude of difficulties in their transition and development, of both economic and political nature (cf. Bideleux and Jeffries, 2007: 582). And last but not least, following the decision by the European Council in Salonika of 2003, the EU has committed itself to the gradual integration of the Western Balkan countries into the Union – but without precise time limits. Even though the criteria, together with an increase in the number of EU legislative regulations that should be adopted, amplified by some additional requirements, have been set very high, and although the commitments that the South-Eastern European countries would be admitted to the EU have been loosely defined, the prospects of European integration have had a very strong impact on the balance of political forces in the region.

An irreversible political shift occurred in all countries in the region. The nationalist forces had to hand the leadership over to the pro-European forces – regardless

¹ “The ‘Western Balkans’ of Albania, Bosnia and Herzegovina, Croatia, Macedonia and Yugoslavia, for which the EU has devised the special instrument of Stabilisation and Association Agreements (SAAs). The SAAs offer trade access, political dialogue and cooperation in many areas – like the Europe Agreements signed with the accession candidates – but the SAAs mention only the possibility of evolving towards full candidate status”. Cf. Grabbe, 2003: 260-261.

of the differences between countries and despite the fact that the lead of the democratic and pro-European forces had often been established with a narrow win.

With the transformation of the Croatian Democratic Union (*Hrvatska demokratska zajednica – HDZ*), all Croatian parliamentary parties adopted the inclusion into the Euro-Atlantic integration as their political objective. In June 2006, the EU opened up accession negotiations with Croatia (that got stuck because of the decision that the Protected Ecological Fishery Zone [*Zaštićeni ekološko-ribolovni pojas – ZERP*] would be introduced on 1 January 2008 and, later, because of the Slovenian blockade and problems with the Hague Tribunal and the Chapter on Justice). In Serbia, following Tadić's victory in the 2008 presidential elections and the victory by the "For a European Serbia" alliance (*Blok za evropsku Srbiju*) in the parliamentary elections, the Stabilisation and Association Agreement was ratified in mid-2008. In 2005, Macedonia was recognized candidate status with no decision as to when negotiations would be launched. While Macedonia does face economic difficulties, delicate interethnic relations and the Greek blockade, this breakthrough is by no means to be underestimated. Montenegro signed its Stabilisation and Association Agreement in 2007. Kosovo was included in the Stabilisation and Association Process (SAP) in 2002. Thereby, Kosovo was not freed from economic underdevelopment and difficult relations with Serbia, but nonetheless obtained a certain European perspective. Only in Bosnia and Herzegovina, with its complex political system and antagonistic ethnic relations, political consolidation remains a preliminary question before its accession to the EU.

Integration into the EU implies benefits that have already become typical for new members. EU membership ensures market expansion and legal certainty, and minimises the risk for potential investors, which generates significant capital inflow and the growth of less-developed countries – this was exemplified by Spain, Portugal and Ireland. These are some of the general reasons in favour of the earliest possible admission of the South-Eastern European countries into the EU.² On the other hand, stalling and postponing the admission until the countries in the region completely, without exception, meet all criteria, can only marginalise non-member states and provoke adverse responses that can inflict damage not only on them, but on other countries on the continent as well.

What is important for Croatia is that its adjustment to EU regulations includes the reform and modernisation of its legal system. Without judicial reform, the functioning of the market economy will not be possible. This reform would be long-last-

² Such a thesis is quite firmly advocated by the authors of one of the most ambitious books on transition problems in the region – Bideleux and Jeffries, 2007: 589. They suggest that the admission of this group of transitional countries should be completed "as soon as feasible, without waiting for them fully to 'put their own houses in order' before entry".

ing and problematic if there were no requirements as to the acceptance of the entire EU legal legacy. The EU is in fact a supranational legal order negotiated between the member states. Essentially, the EU “is the rule of law – nothing more, nothing less” (Bideleux and Jeffries, 2007: 584).

Croatia has a very sensitive minority issue. In addition, the national question has been extremely pronounced even in the relations between the newly established states – the Federal Republics and Autonomous Provinces of the former Yugoslav federal state. Within the new countries, new minorities have emerged – parts of ethnic communities that now have their own nation-states in neighbouring countries. Besides, the former borders between federal units have become borders between sovereign states and they have not always proven to be uncontested. The war and attempts of territorial expansion at the expense of neighbouring countries have further intensified tensions between nationalities. The emergence of the new sovereign states marked the completion of the process of national build-up, which in itself strikingly highlighted the role of the national question – much more so than in old European nations.

The European Union has a broader political framework than nation-states and thus creates a situation in which no national community can impose its own interest or be permanently unprivileged. This creates a positive environment for resolving conflicting ethnic interests more easily in the Union’s member nation-states. This broader political framework, of course, is effective only once countries have joined the EU as full members. In his time, Thomas Mann said that the Europeanization of Germany was the best protection against the Germanization of Europe. Similarly, it could be said today regarding the South-Eastern European region that the Europeanization of the Balkans provides the best protection against the Balkanization of Europe. Here the term “Balkanization” does not mean the fragmentation of nation-states, but the entanglement of South-Eastern European countries in retrograde processes and unsolved problems. The EU member states should care, for instance, whether the area of former Yugoslavia has been definitely pacified, normalised and integrated into the EU, or else remains a permanent source of economic, political and security problems with smouldering ethnic conflicts, at times tense interstate relations and porous borders for organised crime.

As a consequence of the collapse of the former federation and the wars during the 1990s, the economic and regional collaboration in the region is still far below its potential. The intra-regional collaboration will probably not, and does not have to, rise to the level that was present during the existence of the former Yugoslav federation, but there can neither be any doubt that there is a strong unused potential for primarily economic cooperation that can serve the interests of all parties involved. In this cooperation, the economically more developed countries, such as Croatia

and Slovenia, certainly have an advantage. Joining the EU, like the accession process itself, facilitates regional collaboration, because it removes obstacles in the normalisation of relations and economic cooperation. Again, an advance on this level can be much more easily achieved among full EU members than among those that have not yet progressed to full membership.

In spite of deficits in some fields, it should be noted that there are also some advantages in the region that facilitate its integration into the Union. Prior to the 1990s, the former Yugoslav federation had a limited market economy, and the levels of economic development and living standards were higher than those in the Central and Eastern European countries, which belonged to what used to be the Soviet Bloc. Furthermore, within Yugoslavia, Croatia and Slovenia (and Voivodina) were economically and institutionally the most developed units of the federation. If Yugoslavia had not collapsed, it would probably have been the first post-communist country to join the EU. After all, such an offer was indeed made to Ante Marković's government.³ The rapid disintegration of the Yugoslav federation made the question of accessing the then European Community irrelevant. The fact that the reformist communist elites in Croatia and Slovenia endorsed the idea of joining the EU in a joint declaration proposed at the last, 14th Communist Party Congress in January 1990 is much less known.

In the 1990s wars, a part of the economic advantages based on the existence of a limited market economy and relative democratisation, which distinguished the country from other communist states, melted away, but up to this day the units of the former Yugoslav federation have maintained some economic indicators that are still better than those in some of the new EU member states. In 1990, GDP per capita was \$ 8706 in Slovenia, \$ 5106 in Croatia, and \$ 1300 in Bulgaria and Romania. In 2007, GDP per capita, when converted by the purchasing power parity, was \$ 27,205 in Slovenia, \$ 15,549 in Croatia, \$ 11,302 in Bulgaria, and \$ 11,387 in Romania. The estimation of the GDP level is not entirely reliable, because in some

³ In May 1991, a delegation of the European Community, including Jacques Delors, President of the European Commission, and Jacques Santer, Luxembourg's Prime Minister, offered the Federal Government in Belgrade assistance, which also included the signing of an Association Agreement, provided that the country remained united and accepted some other conditions for arranging the state required by the EC. In addition, on 24 June 1991, one day before Croatia and Slovenia proclaimed independence, the EU co-signed an agreement with the Federal Government in Belgrade on a five-year loan in the amount of ECU 807 million, which proved that European leaders did not at all realise what was actually happening in the Yugoslav federation. Much like the federal Prime Minister, they deemed that the country could be held together by financial support. Such an approach was recognised as support to the policy of recentralisation of Yugoslavia by advocates of the communist hard-line and Milošević (cf. Cviić and Sanfey, 2008: 91-92).

countries of the former Soviet Bloc there is still an influence of the Soviet statistics, which has whitewashed the economic achievements of the ruling elite. It is very likely that, even today, the economic indicators of some EU members are still lagging behind not only those of Slovenia, but those of Croatia as well. It should be added here that, as a consequence of the war, the share of the black economy in the region is, from a comparative perspective, disproportionately large: estimates vary from 18 percent up to one third of the GDP.

There is little argument about the fact that some of the new members have found themselves in the fast lane of accession to the EU for international political reasons – particularly those on the eastern side of the continent that seal off the area against Russia. This fact, as well as the estimation that some of the new members have fared worse than Croatia, not only in terms of their economic indicators, causes a sense among the citizens that the country has waited unjustifiably long to be admitted to the EU. Such sentiment has reinforced Euroscepticism, given support to the nationalist arguments about the EU posing a threat to sovereignty, and built up the political extremism of rightist radicals and ultra-leftists who have opposed European integration, democratic and market reforms and the opening of their respective countries to the world and regional collaboration. This can all lead to a downshift in economic transition and threaten democratic consolidation. The point here is not only that the domestic opposition to reforms will be increasingly difficult to overcome, but also that potential foreign investors will be discouraged.

The delay in obtaining the full membership status has led to some further problems. In time, the EU regulations – the *acquis communautaire* – that must be adopted and implemented will become increasingly extensive. The status of a non-member country has only adverse political implications: problems will only become aggravated. No less important is the fact that the countries left outside the EU will remain isolated and marginalised at the edge of the “Fortress Europe”. This is not limited to the visa issuing policy and the Schengen control.⁴

Among all South-Eastern European countries, Croatia is now closest to joining the EU. If it will not be able to join the Union in the foreseeable future, the prospects of other countries will become dramatically narrower. Especially when we take into account the fact that each country in the region is burdened by very serious problems, which, in the case of their aggravation, will pose a threat by retrograde solutions. Bosnia and Herzegovina has serious difficulties with the functioning of its political system and relations among its nationalities. In Serbia, the victory of pro-European forces was won by a narrow margin. Macedonia is held back by the

⁴ In addition, Grabbe emphasizes that even the additional funding is directed mainly towards members and accession candidates (Grabbe, 2003: 265-266).

Greek blockade. In Montenegro, the victory of independence forces was very tight. Kosovo has not yet solved its minority issue, and its relations with Serbia are still very problematic. All countries in the region are facing domestic economic difficulties and consequences of the global recession. It will take a couple more years for Macedonia, Bosnia and Herzegovina, Serbia, Montenegro and Kosovo to exceed the 1989 economic level! All of the above makes the situation in the region extremely fragile. The adverse domino effect does not pose an immediate threat, but can by no means be excluded.

Basically, there are two possible solutions regarding the admission of post-communist countries into the EU – especially of the South-Eastern European region. The first one, which requires of the accession candidates to put their own houses in order and complete their economic and political transition prior to admission, is in accordance with EU principles and is particularly relevant for the credibility of EU institutions. The assumption of the second solution is that the quickest way of bringing the post-communist states into order is the completion of their transition and democratic consolidation and their admission into the EU as soon as feasible. The idea of this argument is to admit the candidates into full membership as soon as possible. Such a dilemma also existed in the Kosovo case: should the criteria be met first and then independence proclaimed or, conversely, should independence be recognised first, which would then make the fulfilment of the criteria possible? The Ahtisaari Plan eventually accepted the second solution as the best one for Kosovo.⁵

There is no denying the fact that there are indeed some risks involved in the premature admission of the countries that have not fully met the criteria for joining the EU and solved their old problems or carried out all necessary economic and political reforms. However, these costs and risks will be higher if the states are left to boil in their own sauce until they have fully met the admission criteria. This is applicable not only to the situation in the countries that are potential candidates for accession to the EU. Not even Western Europe will successfully resist the problems arising from South-Eastern Europe if the region is not included in European integration as soon as possible. Instead of immigration restrictions, or intensified measures for the defence against organised crime, a simpler solution, for instance, would be to change the situation in the region through its quicker inclusion in EU integrative structures.

⁵ Bideleux and Jeffries add to this: “Nevertheless, this must not be allowed to obscure the important (albeit paradoxical) fact that the post-communist Balkan states can best be assisted to put their houses more fully in order by admitting them to the EU and its stringent rules and disciplines, which is a strong argument for admitting them sooner rather than later” (Bideleux and Jeffries, 2007: 581).

Western Europe should not repeat its mistake of the 1990s, when it aggravated the situation in the region and produced problems to itself by misjudgements and belated responses – in the beginning, it did not know how to stop the conflicts and a decisive reaction followed only later by its participation in stopping the war and by minimising the effects of material and humanitarian disaster. The arms embargo virtually encouraged the aggression and left the victims without protection; the economic sanctions obstructed the economy, but did serve Milošević as a justification for the argument about the world's conspiracy against Serbia, and as a formal cover for the West to postpone the intervention which was eventually unavoidable. The Hague trials asserted the thesis that the crimes would not be unpunished, but their lengthiness and frequent ultimatums have long been giving material to the nationalist forces for their survival on our political scene.

Admittedly, the West – the United States in particular – significantly contributed to the cessation of the war, renewing and reviving regional initiatives. To mention only a few of the initiatives which have produced better or weaker results: first, the South-Eastern European Cooperative Initiative (SECI) sponsored by the US should by no means be left out here; it was launched in 1996, and was applying to economic cooperation; second, the South-Eastern European Cooperation Process (SEECPP), which was launched in 2000 and, apart from the so-called Western Balkans, included Albania, Greece, Moldova, Romania and Turkey; it covered three fields: security, economy and culture; third, the Stability Pact for South-Eastern Europe (PS), which was launched in 1999 by Germany under the auspices of the OESS and with the support of the EU, and included, along with the Western Balkans, Albania, Romania and Moldova, with three working tables: democracy, economy and security (the coordinator being Erhard Busek; the Pact was extinguished on 30 June 2008); and, fourth, the Regional Cooperation Council (RCC), which was established in 2006 and based in Sarajevo (Cviić and Sanfey, 2008: 111-112).

Finally, the countries in the region were offered the prospect of joining Euro-Atlantic integration processes. However, slow decision-making and postponing decisions are still present – remember, for example, Solana's insistence on the survival of the state community of Serbia and Montenegro (in Belgrade, this state used to be ironically called "Solania"), which could not function properly from the very beginning. However, it provided the EU with an alibi that something was being done.

The interests of Europe, Russia and the United States are still interlaced in the region. These interests are economic, but also political in nature – the interest in political stability which will also ensure the stability of the continent. What is positive is the fact that all countries in the region today consider their admission to the EU their primary foreign policy objective. Croatia is faced with the problem of its accession being blocked. For Slovenia, a border dispute has become above all a

domestic issue – which makes any flexible approach to resolving the dispute even more difficult. This is rather similar, albeit not the same, in Croatia. Croatia accepts that the dispute should be resolved as a foreign policy issue through international arbitration and the application of international law. The EU institutional arrangements require decisions on EU membership to be made consensually. This is in fact a confederate approach. The only problem with the confederate principle is that, as a rule, all confederations have either disintegrated or transformed into federations. The confederate principle has survived only in very large international organisations that do not make politically crucial decisions. The consequence for the EU is obviously the need for change in decision-making – because the blockade of the enlargement calls into question the fundamental principles upon which the EU has been founded – the European unity and openness of the Union. Of course, Croatia has got another problem – the assessment of the collaboration with the Hague Tribunal, corruption and judicial reform. Now, it can be said that Croatia is faced with the fact that the foreign policy capacity of the EU is limited in terms of both its institutions and vested interests. The policy of the new US administration seems encouraging, because it again shows, like in the 1990s, that the region is not outside its focus. This is suggested by the recent visit of Vice-President Joseph Biden to Bosnia and Herzegovina, Serbia and Kosovo. Whether the new US policy will affect the European foreign policies is yet to be seen.⁶

Interestingly, when it comes to the region, the saying created on the occasion of the 1914 assassination in Sarajevo, which was the immediate cause of World War I, still holds true: “The Balkans produce more history than they can consume locally”. Obviously, others must also deal with the problems emerging with this surplus of history. The region, as seen today, is not exclusively a European problem, but its pacification and normalisation require incentives from global political powers as well.

⁶ Last autumn, after a presentation at an academic conference, it became clear that the new US administration did get involved in solving the Croatian-Slovenian border dispute, as well as in an attempt to move the problem of Bosnia and Herzegovina away from the deadlock.

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